

MINUTES – JUNE 11, 2013

The Caswell County Board of Commissioners reconvened in special session at the Historic Courthouse in Yanceyville, North Carolina at 4:00 p.m. on Tuesday, June 11, 2013. Members present: Cathy W. Lucas, Chair, Kenneth D. Travis, Vice-Chairman, William E. Carter, Larry G. Hamlett, and Jeremiah Jefferies. Absent: Nathaniel Hall and N. Kent Williamson. Also present: Kevin B. Howard, County Manager, Gwen Vaughn, Finance Director, Scott Powell, Finance Director, Dr. Doug Barker, Superintendent and Chair June Dailey with the School Board. Paula P. Seamster, Clerk to the Board, recorded the minutes.

BUDGET WORKSHOP

Chair Lucas stated “We will reconvene the budget work shop from June 5, 2013. I would like to welcome Mr. Scott Powell, Dr. Barker and Ms. June Dailey with the School Board. We are here to talk about the School Board’s budget, the proposed budget. There was a request to meet with you based on questions that commissioners had, basically two of the commissioners had questions and they are not here at the present time. I think Scott you were sent information that sort of summarized what the Board was interested in and I think you responded to those. We have the projector set up. The information that you sent in the email that I reviewed was very helpful information that cleared up some questions I think I know I had and some of the others may have had. I think Paula printed all of that out for us.”

Mr. Scott Powell asked “Would you like to see it on here?” Chair Lucas responded “I think it would be good for everyone to do that. And the realization that your formal budget is not put together until you get all the realistic numbers or the real numbers is to be noted. This is sort of an educated guess.” Mr. Powell responded “Right.”

(At 4:05 p.m. Commissioner Hamlett entered the meeting.)

Chair Lucas stated “There were four items that were discussed at the last commissioner’s work shop and that was just the complete overview of the education budget which every commissioner has a copy and I have not had an opportunity to go over it and review it and study it and then the fund balance amount which you have provided for us I believe. The total number of custodial staff and how many would be lost if that was not funded and to be able to explain some of your other requests.”

Chair Lucas asked “Dr. Barker what is the total pupil population for the school system for the last year?” Dr. Barker responded “It varies from month to month as you very well know depending on how many kids may drop out and other kids coming in but somewhere around 2865 kids or somewhere around that neighborhood I think was the last numbers we got.” Chair Lucas continued “On the charter school funding that money comes to the local system and I think I read the amount was one sixty does that sound right?” Dr. Barker responded “Well the money for charter schools goes directly from the state directly to the charter schools. What happens is in the money that is allocated to the school system here by the county commissioners once we get that allocation, let’s say it is \$800 per student that you give us for the current expense side of the budget per child here in the county then for every child that lives here in the

county that goes to a charter school we have to turn around and write them a check for that same amount of money that you gave us for each kid here. If they stayed in our schools here we would have that amount of money so we have to write that check out and that is over a hundred thousand dollars a year that you give us that we never use for kids here that turns right around and goes to the charter school.” Chair Lucas asked “So it is allocated to you and you send the money to the charter schools?” Dr. Barker responded “That is correct.” Mr. Powell added “They provide us a bill on how many kids and what their addresses are and we have to verify the addresses to make sure that they within the county boundaries. Then they will send us saying you have 160 kids at Clover Garden times the per pupil amount and then we send them a check.” Chair Lucas asked “How many children do we have that we are aware of at charter schools?” Mr. Powell responded “It is about 200 or somewhere there about.” Chair Lucas continued “So it is 200 children and then you send how much per student?” Commissioner Travis responded “That can vary.” Dr. Barker responded “It varies every year depending...and the state is continually trying to put additional money towards the charter schools.” Mr. Powell stated “This year it is \$85.80 per child per month. We have one charter school that wants 9 payments a year but most charter schools want 10 payments a year.” Chair Lucas asked “And that is our normal ADM per pupil, this \$85.80?” Mr. Powell responded “That is right. If you look up the formula we take our ADM and we average the number of charter schools with students to come up with a total ADM and that is how we calculate their per ADM.”

Chair Lucas asked “What is your first report that you provided to us?” Mr. Powell responded “The first report is the breakdown of the estimated allotments. Now that the House has come out with their budget over the weekend there is a comparison between the two. There are some differences in how they are applied but I just took the basic Senate budget and did an estimate based on our different allotments we have. See can see the biggest cut that we have is the teacher assistant line. If the Senate version of it passes the ADM and K through 1 for teacher assistants that will reflect about a \$264,000 cut for us. This is just a breakdown. We have four allotments that they guarantee positions so regardless of what the salary is they guarantee those positions based on that we would lose 3 teaching positions. We have seven assistant principal months of employment. That is usually a tradeoff in how we handle that but those are usually used up and then one instructional support that would be guidance counselors, librarians, etc. that is in that group.” Chair Lucas asked “So it is three teachers and an additional seven and you are saying...” Mr. Powell responded “The rest of the three are months of employment so that is seven months of assistant principal. What we do is we had to revert that back last year to the state. In the Senate budget they eliminated the LEA reversal so they are actually giving it back but they are actually making cuts to the actual allotments themselves. The House does not do that.” Chair Lucas continued “It is just a guess on when we will have final numbers on this?” Mr. Powell responded “They anticipate having theirs done by July 1 but a lot of times that is wishful thinking on their parts.” Chair Lucas asked “Does anybody have any questions on this report from the Senate estimated allotments?”

Commissioner Hamlett asked “what is that small school funding?” Mr. Powell responded “That is for school systems that have less than 4000 students. It is a supplemental funding from the Leandro case that created equalization amongst the larger schools and smaller school districts. They help supplement the funding and the county tax rate and appropriations also go into that formula. We don’t get as many teacher positions as someone in Person County or Rockingham.

This is just to equalize some of that.” Dr. Barker added “I think it goes back to and correct me if I am wrong, when George was our senator here there was a lot of talk during that time about it took more money per child to operate a small district than it did a large district. The example is if you have 5 kids on the basketball team you still have to have x number of basketballs and if you have ten you do the same thing. It would be the same amount of money for 5 as it would be for 10. They negotiated at that time the formula was supposed to be 3000, if we were under 3000 you got a supplemental allocation based on that number of students that you had. They got it bumped up to between 3000 and 4000 but you got a smaller percentage between 3000 and 4000 than you did between 0 and 3000. The state is still looking at that again this year to try to redo that formula. I think the last time that I saw it was if anybody was at 3000 and under you would still get the money but it would be some type of proration. We have had it for a long time and all it does is help supplement us to be able to have materials and supplies and some teaching positions that we would not have otherwise if we did not have that money.” Commissioner Hamlett asked “You have been getting it how many years?” Ms. June Dailey responded “Ever since George Daniel was in the Senate.” Dr. Barker stated “As the school systems get larger they are trying to do away with that. If you are in a small district or you have declining enrollment it really helps you but as your school district is growing you grow yourself out of that money.”

Commissioner Carter asked “So according to this the Senate is \$351,652 short?” Mr. Powell responded “Yes based on the estimated allotments we get, yes.” Mr. Barker added “And Bill every budget that we have looked at, the governor’s budget, the House budget, and the Senate budget, all of them have cut public education this year. It is just a matter of how much but all of them are cutting. It is less than what it was last year.”

Commissioner Hamlett asked “Did you hear that they are trying to take the lottery fund away too?” Dr. Barker responded “They are trying to redirect it is what I have heard. It used to be that it had to go to this. Now they are trying to get it where they can pay so much to this and so much to that. The thing that we found out the other day that was very troubling and should be to all of us, the ADM that we have always had where you had to match it there is not going to be any more money put in there. That has stopped as of this year. Whatever you got in there you can keep but there will be no new money going into that fund. We have to come to you and tell you what we need of that and then you give us x amount of money and we can get it out of that fund and once that fund is gone there will not be any more money put in and that has been something that has been used. Part of that money use when we put the new vocational building shop and there is still money in that fund to do major renovations and repairs and that kind of stuff. Once it is gone that is it because they will not be putting any more money in. That is going to be a detriment to all of us.”

Chair Lucas asked “What is the balance in that fund now, do we know or do you have it?” Dr. Barker responded “It is \$1.6 or \$1.8 million or something within that range.” Mr. Powell responded “We can look it up.”

Commissioner Travis asked “Do we have any kids that come from Virginia over here to school?” Dr. Barker responded “We have a few that come from Virginia but most of the kids that come from Virginia come with their parents that work here.” Commissioner Travis continued “Do

they send money to go to our schools?" Dr. Barker responded "No, they do not." Commissioner Travis stated "So we are on the losing end when it comes to that." Dr. Barker responded "We use that as a recruiting tool to try to get teachers to come to us and not charge their kids. If their parents do not work in the school district or their guardian does not work in the school district then when they come across the line to Caswell County they have to pay that same thing that we pay out to the charter schools to us and we probably collect two or three of those a year." Commissioner Travis continued "So in other words the parents pay it." Dr. Barker responded "That is correct, the parents pay it." Commissioner Travis asked "So they don't do it the same way North Carolina does it?" Dr. Barker responded "Well if a student leaves us and goes to Danville to school over there we don't send any money over there to them either." Commissioner Travis continued "But if they go to Rockingham you send it there." Dr. Barker responded "No Rockingham picks it up based on their head count just like we do so we don't have to send any money to any of those." Commissioner Travis asked "I don't understand that. Why do you have to send it to a private school then?" Dr. Barker responded "We don't have to send it to the private school. We have to send it to the charter schools." Commissioner Travis continued "Well Clover Garden to me is a private school." Dr. Barker responded "A lot of people look at it in that manner but the state says it is a charter school which means it is chartered as a public school, anybody can go there and we fund that out of those sources." Commissioner Travis asked "If they had a charter school in Rockingham County..." Dr. Barker responded "We would have to send it to them." Commissioner Travis continued "But going from school to school you don't have to pay it?" Dr. Barker responded "That is correct."

Commissioner Hamlett asked "Do you have the balance amounts for the ADM and Lottery funds?" Mr. Powell responded "Yes, Mr. Howard had a copy of it. The ADM fund, the balance is \$1,761,166.95 and the Lottery is \$1,729,747.88." Chair Lucas stated "Thank you for that Scott. The next report you had for us was I don't know if it is the capital projects or the custodial staff." Mr. Powell responded "You tell me which one you want to look at." Chair Lucas stated "Whichever comes up on your screen first."

Mr. Powell stated "Okay what you have here is the actual Planning Allotments."

Mr. Powell stated "Okay what you have here is the actual Planning Allotments that we received from DPI in February. These basically are they are looking at the continuation budget and this has no bearing on what we will get. This is just for us to look at. You can take that sheet and compare it with what we got from the Senate and you will see that there are big differences in those. They are also saying that our average daily membership for this coming year is 2811, so 2811 students and that is how they base us off those allotments to specific funds. The next sheet you see after that is a letter that went with that planning allotment and you can see that they basically tell you in the first couple of sentences that these allotments are subject to and/or likely to change so we don't really pay much attention to what they give us as planning models other than to just look at it and see what we think we might get. It all contends on what the Senate and the House basically decides. You can see that they projected us at 135 teachers whereas the Senate budgeted 127. It can vary quite dramatically from one allotment to another so we don't really rely on these. These are just for us to look at possibilities of where students need to go and where teachers need to go based on the accounts at each school."

Chair Lucas asked "But the actual number you are proposing in your budget is?" Mr. Powell responded "What you see in the Senate piece is more accurate than what you see in the planning allotments. The next sheet is your fund balance breakdown, both the capital and the local."

Chair Lucas asked "So what is in the block is what is needing to be done or?" Mr. Powell responded "Yes what you see in the colors blocks on the inside lines are what the board and the superintendent have designated or what the fund balance would be spent on." Chair Lucas asked "What buildings do we have that has asbestos still left in?" Dr. Barker responded "You got some at the high school. You have got some at the Annex building or the Administration building here. There are a number of schools that have asbestos around some of the pipes that were done years ago. A lot of the classrooms on the first hall at the high school the tile there is asbestos tile and the same is true in the administrative building over here. When that tile starts to crack in any amount whatsoever you have to take that tile up and put down non-asbestos tile. As long as it stays in place you can continue to use it but otherwise you have to do that. We have been setting money aside to try to get that out as we have had the opportunity to do that so we don't have to do it all at one time. You have to have a company come in that is licensed to do that. They had to seal off everything, take it out and put it back down and we can't do that ourselves." Chair Lucas asked "Is this replacing security cameras?" Dr. Barker responded "That is putting security cameras at the elementary schools at the front doors where we do not have them now. We have them at North and at South but the others will getting those as a result of the money that has been set aside there."

Commissioner Hamlett asked "Where does the ROTC program stand right now? Is it going to be in this year or is it not going to be in this year?" Dr. Barker responded "Well we did not get any funds from the federal government as far as the ROTC is concerned. The only way we would be able to do that and there are two ways that this can be done. One is we have requested it in our county budget from you county commissioners and we put that amount they gave us to do that and we sent it in our request to you this year. The only other way that this could be done is the board decides once the budget is approved by the county commissioners and we get our budget from the state and federal that we do away with something else we have to the extent that we could have that program. We have had that discussion and we really don't see how there is any way we can do that and continue to lay out that money every year with the existing budget that we have." Commissioner Hamlett continued "How many did we have in it this year?" Dr. Barker responded "As far as the students in there between forty and sixty at any given time." Chair Lucas asked "How long have we known that it was in jeopardy? Has it been for a few years?" Dr. Barker responded "We have had notices from the ROTC group for the last four out of five years that we were under the number that they wanted us to have in order to continue to have the program so they put us on probation. We would try to do some things to try to make it better. We did over the last three or four years but this past year they told us if the numbers did not get any better they, there were actually two or three in our region that they actually did away with and ours was one of those because of low enrollment." Chair Lucas continued "I had some information sent to me that there is a step down, like a program below the ROTC level that you have to apply for was that a consideration?" Dr. Barker responded "You would have to pay for that. They would let you keep your uniforms and the curriculum. As those uniforms are used up you would have to purchase new uniforms but that is what we put in our budget was that particular program. It is like a DNROTC or something like that. It is the same curriculum."

Students get the same thing out of it but the local unit has to pay for all of it whereas before we paid for part of it and ROTC paid for part of it. Now you have to pay for all of it regardless of the program. So yes we contacted them and we also contacted every other branch of the service to see if there was anyone else willing to or could offer a new program and they were not able to do that because of their budget cuts.” Chair Lucas asked “I just had a question Scott on account 5100 for regular instruction. It says local funding for NJROTC program at the high school and then down below that under account 5500 co-curricular services athletics it says reallocate budgeted NJROTC funds to increase funds for athletics at Dillard and the high school.” Mr. Powell responded “Yes basically what we did early on before we actually put this in, the money that we were allocating out for ROTC for the local portion of it got reallocated out before this came back in at the board meeting so what we had already done is say the program is going to go away. We wanted this money to stay with the kids at the high school so we looked for ways to make sure if we got the same amount funded that it would go back to the kids at the school. We have to put in about \$30,000 a year for ROTC. We have to pay half the salaries of the teachers there plus some other things phones, copiers and all that stuff and once that program goes away the money is still there where we have appropriated for it and it would have to be spread back out to the schools within the local budget somehow.” Chair Lucas continued “And that dollar amount was how much?” Mr. Powell responded “The total amount to run the program is \$169,740. That is what we got from the Navy and they told us that is how much it would take to run the program.”

Commissioner Jefferies asked “Have we been paying for full time assistant principals?” Dr. Barker responded “Jeremiah all of the assistant principals we have are four. There are two at the high school and two at the middle school. They get paid for 11 months so they do not get paid 12 months like a principal does but they do get paid 11 months and the state picks up the costs for all of those except for 1 that we have to pick up the cost for out of a different budget and that is almost a full position.” Mr. Powell added “They are all paid out of state funds.” Dr. Barker continued “And we have to take that out of the Small School money or low wealth money in order to be able to cover that.”

Commissioner Hamlett asked “This \$50,000 I reckon Nate talked to you all about for the math and science teachers how will you distribute that? Based on their qualifications or what?” Mr. Powell responded “They would probably be based on their licenses.” Dr. Barker added “What we did before, we ran a project several years ago with the state and what they found to be the most effective way to do it across the state was if you were trying to get math teachers or science teachers or special ed teachers to come to your school district is you pay them a signing bonus. It did not make any difference as to whether they had their masters or they had their regular teaching degree or whatever. They gave them \$5000 to sign and every time they signed and agreed to come to your county and stay that year they got an extra \$5000 from the local district so I think that would be something we would look at if it was able to be funded. It would be a signing bonus if they did not stay they did not get to keep it. They would have to stay that year in order to keep that. If you were able to get 10 teachers at \$5000 that would use up your money. If you paid \$10000 you would only get 5 so it kind of depends on what would be funded, if anything out of that allocation as to how we would do it once it got back to the board.” Commissioner Hamlett continued “It would not be \$10000 for this one and \$5000 for this one though?” Dr. Barker responded “Well we have not actually gone that far to look at it. It would

depend on where it is you are having the most trouble getting someone in. Every year math and science teachers are extremely hard to find. We will have them completely staffed and if Wake County wants one of our math teachers or Alamance/Burlington they will pay them a supplement or a signing bonus and they are gone.” Commissioner Hamlett asked “The supplement, how much is that usually per teacher?” Dr. Barker responded “When we had the total amount of supplement you gave us I think it varied from about \$400 to around \$900 depending on how long they had been in the Caswell County schools. It was a graded scale based on the number of years they had actually been in Caswell County so 0 to 4 years got a certain amount, 25 to 30 years got a difference amount so it was not an exact amount on it. It was based on the years that they were here.”

Chair Lucas asked “I want to go back to the ROTC program if I may. As it stands right now the program will not be in existence?” Dr. Barker responded “That is correct.” Chair Lucas continued “That is my understanding as well. I just wanted to get that clear.”

Chair Lucas asked “Where are we with your reports?” Mr. Powell responded “We can talk about the sequestration.” Chair Lucas stated “Okay.”

Mr. Powell stated “Basically this is a breakdown that we have received from the state. You can see from there that we have basically been cut about \$94,000 between those five different allotments. We have 9 total federal grants and the other 4 are competitive grants that mostly for EC that have to be applied for. They are mostly for EC students but these are the basics and you can see that for the most part 5% or 6% is your cut range with exception of CTE which they were cut almost 15% and those cuts will be expected the following year as well.” Dr. Barker added “And that is in addition to the three hundred and some dollars that you saw in the original budget from the state. These are on top of that.”

Chair Lucas asked “Are these guaranteed cuts? You know beyond a shadow of a doubt this is coming?” Mr. Powell responded “Yes, this is what they have given us so we can create a budget for. This is a planned allotment just like anything else. They can vary a little bit based off student counts but for the most part that is what we stick with. We are pretty certain that this is what we are going to get but most of this does not actually come down until about October because the federal budget year does not start until October 1st but they are usually pretty close.”

Commissioner Hamlett asked “They cut these every year?” Mr. Powell responded “No this is sequestration. This has to do with this year and next year due to the sequestration cuts.” Chair Lucas stated “That is pretty clear.”

Mr. Powell stated “The next sheet is the breakdown of the custodial staff at the schools. You had asked for a breakdown of those and that is what you have there.” Chair Lucas asked “So you have a total of 24.13 positions?” Mr. Powell responded “Yes.” Chair Lucas continued “And it is estimated you are going...” Mr. Powell responded “Well the Education Jobs covers the 10 month custodians so all the ones you see in there with 10 month those are the ones that were covered under the Education Jobs money that ran out this year. The balance of that had to be picked up from the Low Wealth Small School allotment and there is no guarantee with those folks we have to have something to pay them from and you know technically it is the local

responsibility for the maintenance of the schools. If you look back at the Senate estimate for that budget for our small school you can see we projected at least a \$13,000 cut in that and that is not guaranteed because we would have to move teachers from other places to pay where we will get cut in the teacher accounts.” Chair Lucas asked “Did you say for low wealth?” Mr. Powell responded “No, small schools. We do not pay any custodians out of low wealth, only teachers and administrators, principals and school administrators can be paid out of there. The small school is pretty much an open chart so we can place support positions there which we do such as our IT folks so it encompasses a lot of support, the secretaries at the schools but right now eight months of the custodian will be cut.” Commissioner Travis asked “Why one of these 11 months and the rest is are either 10 or 12?” Mr. Powell responded “They have one 11 month at Dillard.” Dr. Barker added “If I remember correctly that gentleman that is on 11 months was only able to work 11 months at the time when we hired him and we have left him at that 11 months at his request on that.” Commissioner Travis stated “In other words he was supposed to work 12 months.” Dr. Barker responded “That is correct.”

Commissioner Carter asked “Did you say that next year you are not projecting what is in here?” Dr. Barker responded “As far as the custodial positions? Right now the only thing that we can tell anyone is until we can get the budget from the county commissioners and until we get it from the state and the feds until we get that we don’t know how much money we have to work with. Once we get that we will have to start trying to figure out how many personnel we can keep whether it is teacher assistants or whether it is custodians and the board will have to make that decision once they get their budget in place just like you do here once the budget is adopted.” Commissioner Carter continued “So you don’t know what the state is doing to do?” Dr. Barker responded “We have no idea.” Mr. Powell responded “There are a lot of school districts that have already sent out pink slips to folks. They have already told them, their teacher’s assistants you will not be back but a lot of times that is counterproductive and then you have to turn around and hire them all back. We don’t take the approach of getting everybody in an uproar until we know what we are actually looking at.”

Chair Lucas asked “Is that all the individuals reports you had?” Mr. Powell responded “Yes.” Chair Lucas continued “That covered it then?” Mr. Powell responded “Yes.”

Chair Lucas asked “Does anybody have any questions overall for the school budget?”

Commissioner Hamlett asked “How is your paving? Are most of your schools paved up now? They look good.” Dr. Barker responded “When we finish this summer we will have all of them paved relatively well except for about half of the paving is still needing to be done at North and South. What you see there is a sealing coat that we put on there last year to try to keep as much of that intact as we could until we were able to do that. We will be putting asphalt in the teacher parking lot at both of those schools and at the front circle at South this summer out of the budget we had this year. I think we have gotten preliminary estimates on that, the complete that process it is about another \$150,000 at both of those schools and to do the sealing that is needed at some of the places we have been paving and now we have to go back and seal. The paving companies will tell you that if you do not seal that asphalt every 7 to 10 years you are just looking at having to pull that back up and start over so we have been trying to get on a program of sealing before we lose it and that is where we are.” Commissioner Hamlett continued “You probably need it

quicker than that.” Dr. Barker responded “Well up unto year before last North and South had never been sealed so it had lasted a lot longer than it should have. If you look closely at that we had a lot of cracking at those places and we did not have it in the budget to be able to pave it so we sealed it and made it look pretty but it really did not fix the problem and we came back this year to try to do as much as we could within our existing budget but as you can see from the capital side of the budget all of that is gone. It is just a matter of pulling that back out to finish the rest of it. The other needs to be done, it needs to be done very badly but you can only do with the amount of money you have to do it with. If you don’t do that within the next couple of years you will lose that too.”

Chair Lucas asked “Scott if I could just back up again to the custodial, the second part of that I know you addressed how many positions would be lost but could you tell us how many we actually funding through that Education Jobs funding.” Mr. Powell responded “All the 10 month custodians on that list were funded through the Education Jobs for the year 2011-2012 and then for 2 months in 2012-2013.” Chair Lucas continued “That was 8 positions I believe.” Mr. Powell responded “Yes.”

Commissioner Hamlett asked “I know this probably can’t happen but I don’t see anything on here but the ADM money or the Lottery money will that do anything for this right here?” Dr. Barker responded “Well I think that the Lottery money that we have in there can be used for major projects. The ADM money can be used for major kinds of projects. I don’t know Larry Gene if it can be used for the paving part of it or not or any of these in here but it cannot be used for positions as such that we have asked for or for the ROTC program or any things like that. Can’t use it for fuel or any of that.” Mr. Powell added “It has to be for school construction or technology.” Dr. Barker stated “The issue that you would be wrestling with very shortly is the cooling systems at North and South Elementary schools are now over 20 years old. They are projected to last 15. At some point in time you will have to replace those chillers and we are talking about \$250,000 to \$300,000. Also the roofs on those buildings are tin roof. We are looking at replacing some of those. We have actually had to replace some of those at the east wing. We had to do the whole east wing a couple of years ago because we were getting pin holes all through that roofing and it was a metal roof at that time. To my way of thinking that is where you lottery money is going to go and that is where your ADM money is going to go if we were to have to do that or else we will be coming back to the county commissioners asking for a million dollars or more to do those two projects.” Commissioner Hamlett stated “So it is good that we have it there then.” Dr. Barker responded “If it is still able to stay there. That is correct.”

Chair Lucas asked “Do you have it broken down how the capital money was expended last year? Did we get that in here? I don’t remember seeing it.” Mr. Powell responded “I don’t think so. Are you talking about this current year?”

Commissioner Jefferies asked “I know that Rockingham County makes their own fuel have you thought about that?” Dr. Barker responded “We had a couple of companies come in and talked about doing a biodiesel kind of fuel but they never could get enough interest in it in order to be able to put a plant here to start that. The school systems were supposed to be able to buy it from them but biodiesel is actually more expensive to make and to buy than the regular fuel we are

buying right now. The problem is the state just does not allocate enough money for the cost of fuel that we have to buy. They specific where we have to get it from, the put companies on state contract and we are constantly having to take money from other sources to buy fuel because the state does not give us enough.”

Mr. Powell stated “This is a breakdown of what has gone on from the capital budget for the year.” Chair Lucas asked “Can we get a copy of that if you don’t mind?” Dr. Barker responded “That was not one of the things that was asked for but we can get that to you no problem.” Commissioner Hamlett asked “So you have not replaced the roof yet at BY?” Dr. Barker responded “Yes. The roof that you see there, we are always roofing something to me but if you look at the roof that was done this year that was the roof on the old gym. That gym has been leaking for a long, long time and the floor had been damaged to the point that we had to replace the floor as well as the roof so that know has a new roof on it, a new 25 year roof so it should be good and usable for a number of years now.” Commissioner Travis stated “I notice the insulation in the gym we were in Saturday needs some attention spent on it.” Dr. Barker responded “The big problem with that is trying to get a lift in there to try to get up to. None of the lifts that we can find will go through those doors even if you take out the center door. It only goes up so high and when you get on it, it goes like this. When we had to replace that scoreboard that fell a couple of years ago that has been a problem there but it does need to be fixed.” Commissioner Travis continued “It was sort of an eye sore.”

Commissioner Hamlett asked “Stoney Creek, what are you going to do with that school?” Dr. Barker responded “I hope you continue to use that school. There are a couple of problems with Stoney Creek but for the students that live on that end of the county to try to get them to any of the other schools is a very, very long bus route.” Commissioner Hamlett continued “You don’t have any problems there with the sewer do you?” Dr. Barker responded “We have spent several hundred thousands of dollars to put in a sewer system and a spray field up there and it works fine. The building is in very good shape. There are no problems with the facility as far as a roof or anything like that. We did have to put new door locks on it this year. The facility is an older facility but it is a great facility and the kids do well there so it would be one of those things that I think that some things would have to change drastically to be able to give it up.” Commissioner Travis stated “The education in that school is about the best education that we have.” Dr. Barker responded “It is very good.” Chair Lucas added “Like so many of our small community schools.” Dr. Barker continued “And if you look at it from the standpoint of everything there and we have looked at that. If you move the kids somewhere else the teachers have to go with them. The only thing that you would save is a principals position and you would not need your cafeteria staff which is about 2 or 3 people and you could probably get by without having your 2 custodians so maybe 5 or 6 people is all you save by doing that plus you increase the cost of your transportation to get those kids from one place to the other at the cost of gasoline. I don’t think there is really any one thing for anybody to worry about in the perceivable future of closing that school up unless everybody just gets up and leaves that community. It really is a great school. You can go there on any given day the kids a doing well and it truly is a community school and I don’t foresee us really have to do anything with it.” Commissioner Hamlett stated “If you all are happy with it we are happy with it.”

Chair Lucas asked “What is their enrollment there, the numbers?” Dr. Barker responded “Between 186 or 200 or something like that. Next year we will have 2 teachers at every grade level with about anywhere from 15 to 20 kids in each class so that is the make-up.”

Chair Lucas asked “Any other questions for Dr. Barker or Mr. Powell?”

Chair Lucas stated “I was just adding the combined totals of the monies that are being requested and it is \$2,490,085 in current expense with \$300,000 in capital outlay and the sales tax distribution would be \$669,023 projected for next year and I believe it comes up to a total of \$3,429,108. I think you asked for an increase of \$984,074.” Dr. Barker responded “I think if you will remember we were asked to put our needs down and to justify those and that is what we tried to do realizing that if we were to get all of that it would be the first time that I know of that this would have transpired because of the kind of economy we are in but there are things there that we feel very passionate about that need to be done whether we can afford to do them or not. That is the decision that the county commissioners will have to make. Ya’ll know that better than we do. We know what our needs are and we can justify those. I will say to you as a board though and this has happened to us the last two years, the school system cannot continue to operate and keep your buildings up with the \$300,000 that you have given us in capital outlay money for the last two years. We have been shorted \$150,000 there from what we had three years ago. Everything has gone up. You know that from your standpoint and the district above all else in my opinion has got to have that \$150,000 back or else you are going to be putting of things that have to be done that is going to wind up costing the citizens of this community a whole lot more than \$150,000 that we have been getting up until that point in time. Not only have been got cut in other places we have gotten cut here but and I promise you and Mr. Powell is as good with numbers as anybody I have worked with on that part of it what we are showing you in the capital outlay money that is all that is there and there is no more and we don’t have anywhere to pull that from unless we get it here. Unless we get that \$150,000 back this year he does not have the capability of finding that other \$150,000 to put it back in there to operate. Really that is not a budget as such it is a continuation of what we have to have in order to operate. We got word the other day even after we completed this budget Duke Power has been approved so far for a 5% rate increase this year and at least that if not more next year. That is not in this budget and we use a lot of electricity. If we don’t have those kinds of funds to be able to do that with it begins to start being pulled from people and the people that get the most are the kids that we are responsible for trying to see that they get a decent education when they get through here. We have a great school system, better than most people give us credit for. Your buildings are in great shape and I will say this to the Board we have worked really, really hard to try to make sure that kids have a quality place to go and quality teachers but we can’t do that without a minimum amount of money. That \$150,000 has got to come back in order for them to continue to be able to do that so I will leave you with that. I thank you for the time that I have been superintendent here and the working relationship we have had. We don’t always see eye to eye but we do know that the most important thing for all of us whether it is a county commissioner or a school board or citizens are the kids that we are trying to educate. They are the ones that are going to look after us and hopefully get a job somewhere and we need that. For those of you that were able to come to the graduation on Saturday I appreciate you being there. I think that said a lot with boards being able to see those students graduate. Those are fine young people. They don’t get the credit that they normally deserve. We hear all the bad stuff but those

are a good, good group of kids and overall Caswell County is blessed to have really good kids that work hard and they need an opportunity just like all the other kids as much as we can afford to give them so I will leave you with that and I will be reading about you in the paper.” Commissioner Travis stated “That was probably the best graduation I have been to.” Dr. Barker responded “We have had some good graduations but that was one of the better ones.”

Chair Lucas stated “Scott thank you for supplying us with all this detail.” Mr. Powell responded “If you need anything else just let us know. We will get you anything you need.” Chair Lucas continued “Just that capital list would be helpful. And thank you Dr. Barker for your time and tenure with the school system.” Dr. Barker responded “I have been fortunate I appreciate that I have had a good board to work with and a great community to work in so I do appreciate that. Bill I never would have thought that years ago when we were running through Bartlett Yancey that probably either one of us would be where we are right now and surely the people that taught us probably did not expect that so I thank you for that opportunity.” Commissioner Hamlett stated “Thank ya’ll for coming.” Chair Lucas stated “Thank you June.” Commissioner Carter stated “I wish you well in your retirement. I retired and then came back to work again.”

Commissioner Carter asked “Ms. June do you have anything to add?” Ms. June Dailey responded “Just remember what you are doing it for, the children.”

RECESS

The Board took a brief recess.

Chair Lucas stated “Going back to Kevin’s outline or Gwen’s or our outline for this budget session, we just went through the Board of Education’s specific request. I guess the thought process was to have department heads come and speak to us if we needed them to.” Mr. Howard responded “We just listed the ones that you have had in the past that is why they are on there.” Chair Lucas continued “I think last year DSS came before they had a three hundred and some thousand dollar expenditure.” Commissioner Jefferies responded “I have the DSS budget if you need it.” Chair Lucas stated “I have the DSS budget. I think the capital request that was made there was for \$50,000 for a scanner.” Mr. Howard responded “It is for scanning services, not a scanner.” Chair Lucas continued “I thought it was a privacy situation where you don’t take documents. Aren’t you concerned about that, that they will take them away and scan them.” Mr. Howard responded “I think these companies are certified to deal with this.” Chair Lucas stated “They have to take them to Pineville, NC.” Commissioner Travis responded “They are certified to do that because I asked the same question.” Mr. Howard stated “They are taking the responsibility for making sure they remain private.” Chair Lucas asked “Does this tie into the same money we spent last year?” Mr. Howard responded “No ma’am, what you spent last year was from that date forward everything was supposed to be digitized and stored on computer.” Chair Lucas continued “So this is going back and getting all the older records and scan them?” Commissioner Travis stated “Once they are scanned you can destroy those documents.” Mr. Howard responded “Right.” Commissioner Travis stated “If you don’t think it needs to be done go to the Guilford Mills building they have a whole section full.” Chair Lucas responded “I think every department has the same issue don’t they?” Ms. Vaughn responded “Yes.”

Commissioner Travis stated "But not as bad as DSS." Commissioner Jefferies stated "They will get back a certain percentage of this money."

Chair Lucas asked "Is there any desire to talk with Dr. Moore at the Health Department about his budget and his request?" Mr. Howard stated "One thing about his budget, he does have a merit increase in there for some of his employees." Chair Lucas responded "Well we will get to that on...are you going to cover all the merit increases?" Mr. Howard stated "That is the only one that is actually in the budget." Chair Lucas asked "Oh it is already included in the budget?" Mr. Howard responded "Yes ma'am, I just gave you their budget as it was presented to me." Commissioner Hamlett asked "It is in the budget?" Mr. Howard responded "Yes sir. The problem I have with that is we are not offering it to the other employees." Commissioner Travis responded "I have a problem with that myself. I don't think one department should get a raise when another department does not. That is a poor example of running a county." Mr. Howard stated "The only time that would come in departments where the job was hard to fill like with the schools with the math and science teachers where you just can't find someone to come here you may have to reassess how you are recruiting, paying or whatever to fill those positions." Commissioner Jefferies stated "I thought a motion was made that nobody could give raises until it was approved by this board." Commissioner Travis stated "He has it in his budget. If we pass this budget just like it is right now we are passing the budget for him to give merit raises." Commissioner Jefferies continued "He can't do that." Mr. Howard stated "What he is talking about is there is a policy; in the past when you have adopted a budget ordinance you put a stipulation in there that no merit increases could be given without coming before the Board of Commissioners." Commissioner Travis responded "What I am trying to tell you is he is coming before this Board. If you pass this budget it passes." Commissioner Hamlett stated "He should not have put it in there to start with." Commissioner Travis stated "If you pass his budget just like it is right now and four people on this board vote for it, it has come before this board and you have passed it." Mr. Howard responded "Unless in the past what you did is you put a stipulation in the budget ordinance when you adopted the budget and any merit increases had to come before the Board of Commissioners for approval." Chair Lucas asked "Even though it is included in the budget?" Mr. Howard responded "Yes ma'am." Chair Lucas continued "Well why would you include it in the budget, I am like Larry Gene why put it in the budget?" Commissioner Hamlett asked "Do you know how much it is?" Ms. Vaughn responded "I did ask Dr. Moore to give a breakdown on it and he did not send me the breakdown." Chair Lucas stated "We need the breakdown. At the end of the process when we adopt our budget Kevin said it has been the practice in the past to put in there before any merit raises that have been included in that budget before they can be given it has to be voted on by the Board." Commissioner Jefferies responded "That is right. I am not in favor of this if no one else is getting a raise." Commissioner Travis stated "I cannot remember since I have been on this Board for one department to get a raise and other departments not get a raise. Have we ever done that?" Commissioner Hamlett responded "Yes, the Sheriff's Department." Mr. Howard responded "You did not give raises. What you did was increase the hiring amount." Commissioner Hamlett responded "He started making position changes. That is how he got his raises." Commissioner Carter stated "I am not in favor of merit raises." Chair Lucas responded "We have not gotten that far yet. The question is, do we need to talk to Dr. Moore at all?" Commissioner Hamlett responded "No." Commissioner Jefferies responded "I don't see why we need to." Commissioner Travis responded "I think we need to handle this raise part right now."

Chair Lucas stated "Well we are getting down to that now in the next session, the employee merit raise program. I guess he is going to talk about it for the entire employee force. Let's finish our department heads. Dr. Moore will not be coming before the Board. Sheriff Welch?"

Commissioner Carter asked "What did he ask for, just 6 cars?" Mr. Howard responded "He asked for six cars. There are five in the proposed budget and then there is a restructuring of his salaries." Commissioner Hamlett stated "That is the same thing." Chair Lucas asked "Do you want to see the Sheriff or to have him to the Board meeting?" Commissioner Travis responded "My opinion is, he has what he wants. We need to give him what we want to give him." Chair Lucas asked "On the vehicles even? You don't need to talk to him about the vehicles?" Commissioner Travis responded "Well let me ask you this, how many times have we talked with the Sheriff about how they treat the vehicles. It don't do no good. If you buy him 5 brand new cars they are not going to be on the road. There will be one for him, one for the next man in line and one for whoever he wants to have it. They are not going to be running up and down the road. He is going to leave the high mileage cars on the road." Chair Lucas continued "But aren't their stipulations that could be attached to that money?" Mr. Howard responded "I don't think we can with the Sheriff's office. I will have to check on that because of the way his office is set up. I think the intention is to replace the patrol cars. When I was given the prices it was with stripping and lights so it included stripping and lights." Commissioner Carter stated "All we do on that is control the money."

Chair Lucas asked "Can you explain this to us; these are the cars that are insured by department with our county insurance?" Mr. Howard responded "I just asked for a breakdown on how their cars were assigned." Chair Lucas continued "This sheet that Kevin gave us is how they are assigned." Commissioner Carter stated "I will tell you what the county used to do years ago. We would get their cars from the highway patrol for a third of what a new one would cost." Chair Lucas asked "So Gwen and Kevin the updated list, do they correspond with this list?" Ms. Vaughn responded "Yes." Chair Lucas continued "So they are all insured on the county policy?" Mr. Howard responded "They should be. I did not go line by line." Chair Lucas asked "Did we take any off the insurance?" Mr. Howard responded "No ma'am." Commissioner Travis stated "On this list there is a 2012 Charger not assigned to anybody and a 2009 Crown Vic so it is just sitting." Mr. Howard responded "They are not assigned right now." Commissioner Carter stated "The Crown Vic is for the reserves." Commissioner Hamlett stated "Those are probably for the ones that retired." Mr. Howard responded "The 2012 Charger that is unassigned was Jerald's." Chair Lucas asked "Does Charlie King have a different vehicle now?" Mr. Howard responded "His is the old one that Jerald had."

Commissioner Hamlett asked "Is he short staffed now?" Mr. Howard responded "There are a couple of positions open. He has not filled Jerald's position and this he has a couple more open."

Chair Lucas asked "Aren't they driving a new vehicle at the jail?" Commissioner Carter responded "A.D. is driving a Crown Vic." Chair Lucas continued "What year model?" Mr. Howard responded "I think it is a 2001." Commissioner Hamlett stated "I think the Sheriff wants to talk about something more than just the cars." Mr. Howard responded "I think he wanted to talk to you about the courthouse security and one other issue." Chair Lucas asked "What is the issue with the courthouse security? I thought we took care of that last year." Mr.

Howard responded "You approved him two positions. One has been filled and the other one has not been filled. He was waiting until the Board would be able to fund the upgrades in security for the courthouse and that is in his budget for next year." Chair Lucas asked "So there has been no money in the budget the whole year for that position?" Mr. Howard responded "Yes ma'am. It has not been reallocated out for salaries."

Commissioner Carter asked "How much is a new patrol car?" Mr. Howard responded "\$30,000." Chair Lucas asked "How are the new cars assigned?" Commissioner Carter responded "The Sheriff assigned them, no Scott Halbrook assigns them." Chair Lucas continued "The F-150 pick-up trucks is new." Mr. Howard responded "That is not assigned to anyone. That is used for picking up evidence."

Chair Lucas asked "Do we want Sheriff Welch to come before the Board?" Commissioner Hamlett responded "If you want to."

Chair Lucas asked "On the Sheriff's budget how much has it increased from last year to this year?" Mr. Howard responded "\$28,000 and this does not include the vehicles." Commissioner Hamlett asked "That is including the merit raises or salary adjustments or whatever you call it, right?" Mr. Howard responded "Yes sir. I am sorry, his salary budget is the same this year as it was last year." Chair Lucas asked "How is it the same?" Mr. Howard responded "He is just restructuring with the same allocated money." Chair Lucas continued "How does that happen?" Mr. Howard responded "When Jerald left they had two captains, he is restructuring to just have one chief deputy now." Commissioner Travis stated "Let me say this, restructuring to give people more money will cost the county more money because we have to pay social security and all of that." Commissioner Hamlett responded "No he ain't. He is eliminating one job."

Chair Lucas asked "Let's decide, do we want the Sheriff to come or not?" Mr. Howard stated "The salary thing is promotions based on a high ranking position leaving and adjusting within staff. Yes they are getting raises but they are getting promotions as well." Chair Lucas responded "Wouldn't it be nice to see the restructuring plan. Does he have it already in place on what he is planning to do or...?" Commissioner Hamlett stated "That is what he wanted to come and talk to us about." Chair Lucas continued "It would be good to have it on paper to see how he wants to arrange it. I think it would be helpful to see how the restructuring is being planned."

Chair Lucas stated "Let's go down to EMS. Anybody here interesting in meeting with Jeff Sicz?" Commissioner Carter asked "What did they ask for besides ambulances?" Mr. Howard responded "In his request he wants to change some positions such as part time versus full time and he has several things he would like to talk to you about." Mr. Howard stated "I know the Sheriff is out of town next week and Jeff is as well."

Chair Lucas stated "Moving on down to the employee merit raises and 3-5 year projections. These are projections that you are looking at over a 3 to 5 year period." Mr. Howard responded "This is a concept that I wanted to talk to you about. It is based on something that Forsyth County does. It is a merit program and it also throws in we keep talking about how our employees do not make as much as some of the neighboring counties, it would be based on your performance evaluation. You would get nothing if you are average or less, there would be no

increase. If you are showing no initiative there would be no increase. If you are above average you would get whatever the Board decides to give 2 or 3% as your increase. If you are an exceptional then you would get say it is 0, 2 and 3% above average gets 2% the exceptional employee gets 3% plus another percent to bring their salary up closer to be more competitive with areas around us. We are basically rewarding performance and then we have the exceptional employees and we want to keep them so we are moving their salaries closer to the areas around us. We are showing them we value you and we don't want you to go anywhere so we are going to bring your salary up to a market rate. This is not for next year. This is for us to look at to try to do the following fiscal year."

Commissioner Hamlett asked "Who would be doing the evaluations?" Mr. Howard responded "That is where the catch comes in. I have talk about this with the department heads. The department heads would be doing the evaluations but I will pull out or HR will pull those out and check those to make sure we are doing it accurately. I have told them for this program to work and to stay in place it has to be seen as the higher performing employees are the ones getting the raises and not just somebody who is just here. The School of Government puts out a county salary study every year in January showing the salaries each year."

Commissioner Jefferies stated "What you are talking about is great. What each department will have to do is to set a goal in which they need to reach. That is how you can measure it."

Commissioner Carter asked "What did we give last year?" Mr. Howard responded "All full time employees received \$1000 and part time received \$500. It totaled about \$240,000."

Chair Lucas stated "Next on here is Revaluation." Ms. Vaughn stated "The balance in the reval account is \$226,011 and I spoke with Thomas today and he said he is expecting about a \$260,000 cost when he gets out his RFP and gets his bids in." Commissioner Carter asked "Do we have to do that next year?" Mr. Howard responded "No sir."

Commissioner Travis stated "We need another \$30,000 to do this. I think we are crazy if we don't put it in there." Commissioner Hamlett responded "I think we should do it." Commissioner Travis stated "I hope with the next reval we do we get somebody that knows how to do a reval."

Chair Lucas asked "What do we need to discuss on the tax rate?" Commissioner Travis responded "If we want to increase it or not." Mr. Howard stated "That was before we knew how much we were going to expect."

Commissioner Carter asked "What is the percentage of our fund balance?" Mr. Howard responded "Almost 25%."

Chair Lucas asked "What is our fund balance as of today?" Ms. Vaughn responded "We have a current appropriated fund balance in this current year's budget of \$545,653 and that brings our unrestricted fund balance to \$5,571,456. That is about 24% of our current budget."

Commissioner Hamlett asked "Do we need to do that air conditioning this year?" Mr. Howard asked "At the courthouse? It still works. We get complaints from employees over there. I have had my maintenance guy to tell me part of the problem is they can't leave the thermostats alone. I don't know. It needs to be done soon. Do you need to do the whole \$800,000 that I showed in my proposal? No that does a whole lot more stuff. I would go ahead and figure out what you are going to do and to go ahead and have this engineer to draw up drawings and everything and we can look at it over this year. The system is 40 years old. It was put in in 1974. It has the original chiller and it is electric baseboard heat."

Commissioner Travis asked "This prices for these two lawnmowers is that something that you have to have now?" Mr. Howard responded "Yes sir and actually we need to buy those now." Commissioner Travis continued "That is why I am bringing it up. I know you said you have another lawnmower down now." Mr. Howard responded "The one Recreation was using it was an older one and it died. We have 3 mowers that we use regularly. The one at Recreation needs a lot of repairs to it. It is an older John Deere and one John Deere from Maintenance is out of commission." Commissioner Hamlett stated "Stuff like that you have to have now. I don't have a problem with that." Commissioner Carter stated "We need to buy local so they can service it and everything." Commissioner Travis stated "I can't buy a lawnmower for what he priced it at." Commissioner Hamlett responded "Me and you neither one." Chair Lucas asked "Can we not get through the mowing season and buy one off season so we can get them for less money?" Mr. Howard responded "That is the problem, these are worn out." Commissioner Travis responded "Why wait until the winter. We need the lawnmowers right now." Commissioner Carter asked "Can we do that in this budget year? Do you have the money in this budget year?" Mr. Howard responded "We have money in contingency this year." Commissioner Carter asked "How much do you have in contingency?" Mr. Howard responded "About \$18,000."

Commissioner Carter moved, seconded by Commissioner Hamlett to give county manager authority to buy 2 lawnmowers and to take it from contingency.

Chair Lucas asked "Can we put this on the agenda for Monday night? I don't know if we are in properly order or not taking action during a budget workshop." Mr. Howard responded "You can take action if it was advertised as a special meeting. To be honest with you one of them I can buy on my own because it is under \$5000 and I don't need board approval. We can bring it back up at the next meeting though. How about I can get one if you are okay with it and then we can bring the other one up at the next meeting. We need one now." Chair Lucas asked "Okay Kevin if you have the authority to purchase one without board approval what is keeping you from doing that?" Commissioner Travis responded "He wanted to talk to this board about it." Mr. Howard responded "Right." Chair Lucas continued "Okay well then why can't you do that and then have this for discussion at Monday night's meeting and vote on the second mower." Commissioner Hamlett asked "Is it legal to do it right now?" Mr. Howard responded "No, it is special meeting called for budget and technically this is not part of the budget discussion." Chair Lucas stated "It just does not seem proper to me."

Commissioner Carter moved, seconded by Commissioner Hamlett to rescind the prior motion and to table it until Monday night. The motion carried unanimously.

The next budget work session will be Thursday, June 13th at 5:00 p.m. with the Sheriff and EMS.

RECESS

At 6:22 p.m. Commissioner Jefferies moved, seconded by Commissioner Hamlett to recess the budget work session until Thursday, June 13, 2013 at 5:00 p.m. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Cathy W. Lucas
Chair
